



MICHAEL J. SULLIVAN

DIRECTOR

THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

ONE ASHBURTON PLACE, ROOM 411

BOSTON, MASSACHUSETTS 02108

(617) 727-8352

(800) 462-OCPF

October 3, 1994  
AO-94-34

Christopher N. Souris, Esq.  
Feinberg, Charnas & Birmingham, P.C.  
177 Milk Street  
Boston, MA 02109

Re: Disposition of Political Committee Assets

Dear Mr. Souris:

This letter is in response to your September 8, 1994 letter requesting an advisory opinion.

You have stated that you are counsel for a local labor union which is not a political committee. The union's political expenditures fall within the "incidental threshold" set forth in Interpretative Bulletin IB-88-01.<sup>1</sup> Even though the union does not solicit political contributions and makes only incidental political expenditures, the union "under the mistaken belief that it was required to do so pursuant to the campaign finance law" established a political committee to make political expenditures which would otherwise be made by the union.

The political committee is registered with this office and all political expenditures of the union are made through the committee. The committee is financed entirely by the union's general funds (which are raised primarily through regular dues, contributions, and interest on general fund bank deposits). None of the funds in the political committee's account were obtained by soliciting or receiving contributions for political purposes.

---

<sup>1</sup> In IB-88-01, the office defined "incidental" expenditures as annual expenditures which do not exceed \$15,000 or ten percent of an association or other group's gross annual revenues, whichever is less. The office stated that associations which do not raise funds for a political purpose, but which make more than incidental expenditures, must submit reports to this office reflecting the expenditures.

The local union would now like to dissolve its committee, transfer the committee's funds back to the local union's general funds, and make its incidental political expenditures from its general funds in accordance with IB-88-01.

Notwithstanding the restrictions contained in section 18, you have suggested that the considerations underlying section 18 should not be applied in the circumstances which you described, and you have asked if the funds may be transferred back to the union upon the political committee's dissolution.

Section 18 of chapter 55 unambiguously provides that when a candidate or political committee closes its account, it must donate the residual funds remaining in the committee's account to (1) the Local Aid Fund established under the provisions of M.G.L. c. 29, s. 2D; (2) a religious or charitable organization subject to M.G.L. c. 67 or M.G.L. c. 12, s. 8; (3) a scholarship fund; or (4) the general fund of any city or town in the commonwealth. See also 970 CMR 1.04(9), which allows refunds of contributions under certain limited circumstances, but states that the regulation "shall not be construed to permit the refund of contributions due solely to the termination of a particular candidacy." Likewise, contributions cannot be refunded to contributors when a political committee not organized to support a candidate dissolves.

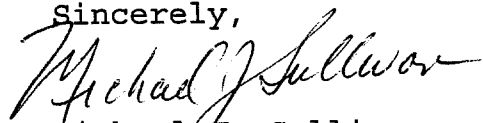
Once a political committee is registered and it receives contributions, those contributions must be spent in a manner which is consistent with the campaign finance law. This office cannot waive the clear mandate of section 18, even where the contributions were received from the same donor.

The committee can remain in existence and make expenditures, consistent with chapter 55, until the balance in the committee's account is reduced to zero, and then the committee can dissolve. Alternatively, the committee can donate the residual funds remaining in the committee's account to a charitable, religious, or governmental entity, pursuant to section 18.

This opinion has been rendered solely on the basis of the representations in your letter, and solely in the context of M.G.L. c. 55.

Please do not hesitate to contact this office should you have additional questions.

Sincerely,

  
Michael J. Sullivan  
Director